

PROCEEDINGS OF THE LAFAYETTE PUBLIC UTILITIES AUTHORITY OF THE CITY-PARISH OF LAFAYETTE, STATE OF LOUISIANA, TAKEN AT A REGULAR MEETING OF OCTOBER 1, 2002.

ATTENDANCE

COUNCIL: Jerry Trumps, (Chair), Chris Williams, Louis C. Benjamin, Jr., Marc Mouton, Rob Stevenson

ABSENT: None

COUNCIL STAFF: Norma Dugas (Clerk), Veronica Williams, (Assistant Clerk), Anne Patin (Senior Administrative Assistant)

ADMINISTRATIVE STAFF: Terry Huval (Utilities Director), Becky Lalumia (Associate CAO/Finance and Management), Steve Dupuis (Legal Counsel)

COMMENCEMENT

(TAPE 1)(SIDE A)(001) AGENDA ITEM NO. 1: Call to order.

Vice Chair Rob Stevenson called the Lafayette Public Utilities Authority Meeting of October 1, 2002 to order and stated that Chair Trumps would be in attendance shortly.

EXECUTIVE/PRESIDENT’S REPORT

(TAPE 1)(SIDE A)(002) AGENDA ITEM NO. 2: President’s Report.

None.

(TAPE 1)(SIDE A)(003) AGENDA ITEM NO. 3: LUS Director’s Report.

None.

ORDINANCES FOR FINAL ADOPTION

(TAPE 1)(SIDE A)(005) AGENDA ITEM NO. 4: O-036-2002(LPUA) An ordinance of the Lafayette Public Utilities Authority authorizing the Lafayette City-Parish President and the Lafayette Public Utilities Authority Chairman to enter into an intergovernmental agreement with the City of Carencro to assist in the transfer of Carencro’s wastewater biosolids, motion to adopt by Mouton, seconded by Benjamin.

LUS Director Terry Huval explained that this ordinance would allow LCG to provide the transfer of sludge for the City of Carencro at a cost of \$250 per occurrence. This ordinance was previously deferred by LPUA and the Lafayette City-Parish Council and placed back on this agenda for approval.

An amendment was offered to the ordinance and the Intergovernmental Agreement by Mouton to add in to the second Whereas to read as follows “*LCG is agreeable to assist Carencro in the one (1) time transfer. . .*” and to delete the eighth Whereas from the ordinance. The maker and the second agreed on the amendment, and the vote on the ordinance, as amended, was as follows:

YEAS: Williams, Benjamin, Mouton, Stevenson

NAYS: None

ABSENT: Trumps

RECUSED: None

Motion was unanimously approved as amended.

(TAPE 1)(SIDE A)(095) AGENDA ITEM NO. 5: O-037-2002(LPUA) An ordinance of the Lafayette Public Utilities Authority authorizing declaring the construction of utility relocation for Pinhook Road (E. Verot School Road to LA 89) a public necessity and authorizing the acquisition of the necessary rights of way and other property rights requisite to the construction of said project either on an amicable basis or through the use of the expropriation process, if necessary, motion to adopt by Mouton, seconded by Benjamin, and the vote was as follows:

YEAS: Williams, Benjamin, Trumps, Mouton, Stevenson

NAYS: None

ABSENT: None

RECUSED: None

Motion was unanimously approved.

(TAPE 1)(SIDE A)(107) AGENDA ITEM NO. 6: O-038-2002(LPUA) An ordinance of the Lafayette Public Utilities Authority authorizing the Lafayette Public Utilities Authority Chair and the Lafayette City-Parish President to enter into an amendment to Wholesale Water Agreements between the Lafayette City-Parish Consolidated Government and the Lafayette Parish Waterworks District North.

Frank Ledoux, Engineering & Power Production Manager, explained that on August 20, 1986 LUS contracted with WWDN Project for Phase I, II and III in the northernmost part of Lafayette Parish. The contract provided wholesale water as well as operations and maintenance services. It was a 40-year contract with automatic renewal provisions of 5 years with a 3-year termination clause. At that time the rate was the same as the Lafayette retail customers but multiplied by a factor of 1.01. This contract was amended in 1987 and again in 1993. In 1993 the rates were changed to the cost of service based rates. The initial rate at that time was \$1.66 per thousand gallons. Currently the cost is \$1.85. In 1997, a contract was entered into to accommodate Phase IV. This was a 20-year term with an automatic renewal of 5 years with a 3-year termination clause and provided wholesale water only. This contract allowed WWDN to sell wholesale water, brought from LUS, to a third party who would resell it on a retail basis. He then explained that this ordinance will supercede both of the previous agreements. A new term of 40 years would start upon execution of this agreement and it would provide for wholesale water throughout the entire WWDN, including a new Phase V Project. LUS would operate and maintain all WWND facilities that meet LUS specifications, except those areas served by the district. As part of this amendment, LUS would construct a 1,700,000 gallon per day water production facility just northwest of the City limits on Mills Road at Gloria Switch Road. This system would help improve the system's pressures both for LUS and WWDN. The facility would cost approximately \$600,000 and will be fully recovered through the rate base.

Upon questioning by Trumps regarding the length of the contract, Mr. Bryon Guillory, WWDN Attorney, explained that an amendment to 20 years would not hamper their funding.

Dupuis suggested that reducing to a 20-year term would not cause any ramifications for LCG, however, it may cause some for WWDN. It may affect their bonding and loan capacity. Mr. Guillory rebutted that part of the requirements for the previous contracts with LUS was that WWDN enter into an agreement with City-Parish in order to obtain a supply of water for the period of the loan. Reducing the terms to 20-years would prohibit the consolidation of these agreements with LCG.

Huval reminded the Council that wholesale water agreements helps LUS reduce the possibility of having to raise rates inside the City. The wholesale customer is providing benefits and stabilizing the LUS rates. Ledoux added that the average use for LUS customers is \$1.69/9,000 gallons per month and the WWDN rate is, as proposed, is \$1.91. The WWDN then tacks on their charge.

A motion to adopt (*with an amendment to the IGA, only, changing the term to 30 years with an automatic renewal at five (5) years with a three (3) year termination clause*) by Benjamin, seconded by Mouton, and the vote was as follows:

YEAS: Williams, Benjamin, Trumps, Mouton, Stevenson

NAYS: None

ABSENT: None

RECUSED: None

Motion was unanimously approved.

At this point, Vice Chair Stevenson recessed the LPUA Meeting until after the Regular and Special Lafayette City-Parish Council Meetings.

Chair Trumps reconvened the LPUA Meeting.

(TAPE 3)(SIDE B)(498) AGENDA ITEM NO. 7: O-039-2002(LPUA) An ordinance of the Lafayette Public Utilities Authority authorizing the Lafayette City-Parish President, Walter Comeaux, to execute an Act of Cash Sale whereby the Lafayette City-Parish Consolidated Government will purchase certain real estate located in St. Landry Parish, Louisiana, from John E. Chance and Joretta Achée Chance for utilization by the Utilities Department, motion to adopt (*with an amendment to the Act of Cash Sale that language be put in the document which states*

“the sale is made and accepted subject to all restrictive covenants, easements, obligations of ownership, etc., affecting the property of record in the Clerk of Court’s office in St. Landry Parish”) by Stevenson, seconded by Benjamin, and the vote was as follows:

YEAS: Williams, Benjamin, Mouton, Stevenson

NAYS: None

ABSENT: None

RECUSED: Trumps

Motion was unanimously approved.

(TAPE 3)(SIDE B)(521) AGENDA ITEM NO. 8: O-040-2002(LPUA) An ordinance of the Lafayette Public Utilities Authority amending the Code of Ordinances, Section 94, by revising wastewater rates, motion to adopt as amended (amendment being *to effect one-half of the rate increase in 2003 and the second half of the rate increase in 2004*), by Stevenson, seconded by Mouton, and the vote was as follows:

YEAS: Trumps, Mouton, Stevenson

NAYS: Williams, Benjamin

ABSENT: None

RECUSED: None

Motion was approved.

COMMENTS FROM THE PUBLIC

(TAPE 3)(SIDE B)(535) AGENDA ITEM NO. 9: Comments from the public on other matters.

None.

ADJOURN

(TAPE 3)(SIDE B)(536) There being no further business to come before the LPUA, Chair Trumps declared the Regular Meeting adjourned.

NORMA A. DUGAS
CLERK OF THE COUNCIL